

Milwaukee County Benefits Comparison

Presented to:

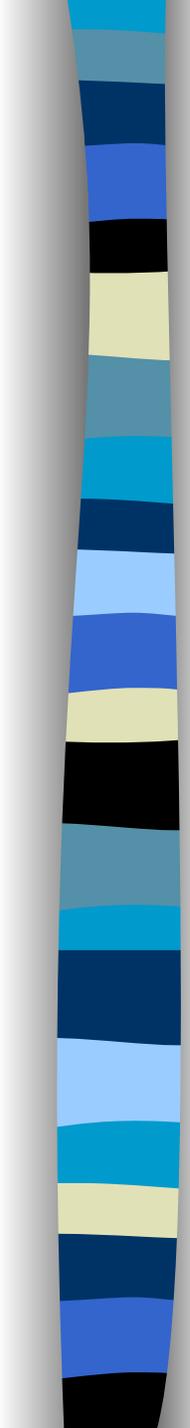
Milwaukee County Board of
Supervisors

Personnel Committee



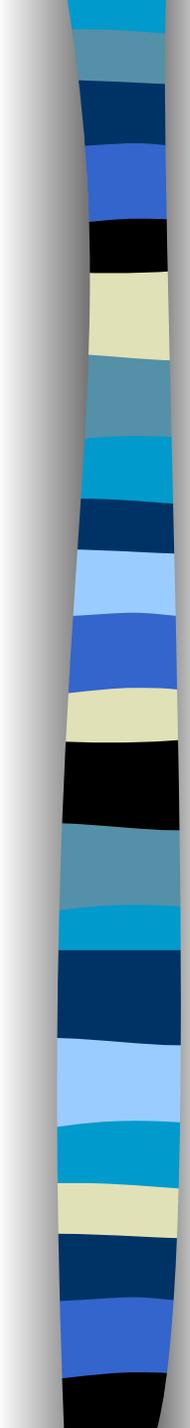
By Department of Audit

February 18, 2005



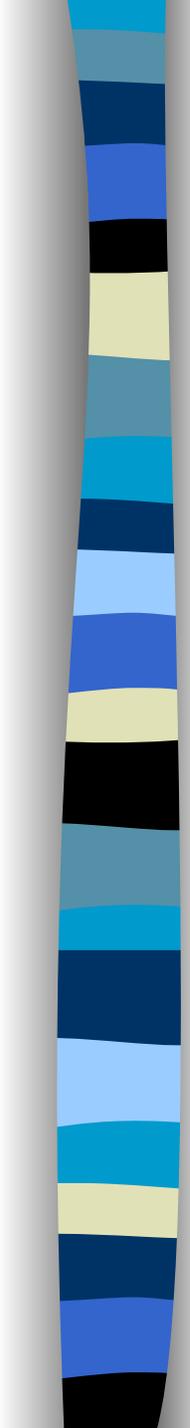
Comparison Jurisdictions

- Governments were selected based on comparability in the event of arbitration
- Compared benefits of largest public union
- Four large Wisconsin counties (Waukesha, Dane, Kenosha, Racine)
- Two largest cities (Milwaukee, Madison)
- Large local public employer (Milwaukee Public Schools)
- State of Wisconsin



Benefits Compared

- Pension
 - Multiplier
 - Age
 - DROP
- Sick Leave
 - Accumulation
 - Payout
- Health Insurance
 - Retirement
 - Premium, Co-pay, Deductible



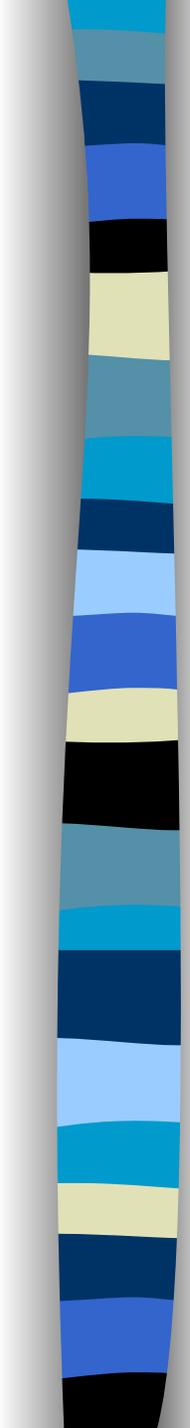
Milwaukee County Workforce

Employee Head Count	5,584	100%
■ Hired prior to `82	470	8%
■ Hired `82 - `93	2,158	39%
■ Hired `94 or later	2,956	53%
Full-Time Employees	4,935	100%
■ Represented	4,161	84%
■ Non-represented	774	16%

Pension Benefits Multiplier / Formula

- **Milwaukee Co.** Hired pre`82= 2%+ bonus, post `81= 2%
- **State of Wisconsin*** pre `00=1.765%, after `99=1.6%
- **Waukesha Co.** Same as State
- **Dane Co.** Same as State
- **Kenosha Co.** Same as State
- **Racine Co.** Same as State
- **City of Madison** Same as State
- **City of Milwaukee** 2% plus 5% cash bonus for pre`00
- **MPS** State plus “Early Out” Supplement
- **Nat’l Public Plan Ave.** 1.86%

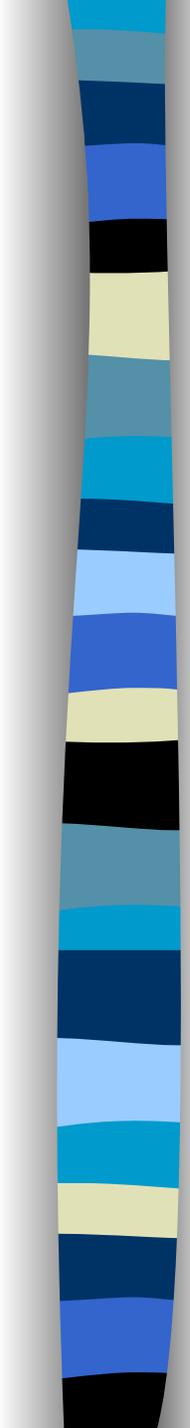
*Years of service prior to 2000 were adjusted upward



Pension Benefits

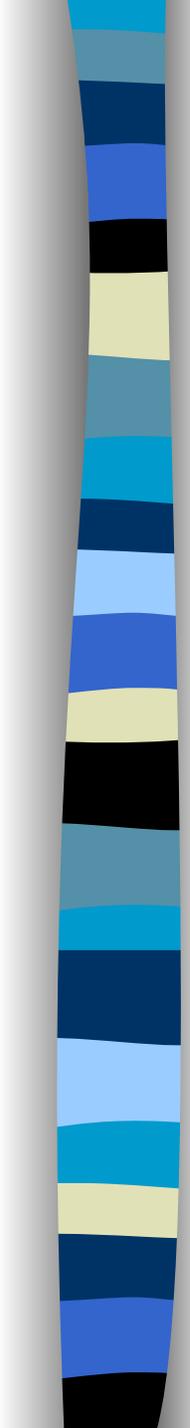
Normal Retirement Age

■ Milwaukee Co.	60; pre `94 = Rule of 75
■ State of Wisconsin	65 (57 w/ 30 yrs)
■ Waukesha Co.	Same as State
■ Dane Co.	Same as State
■ Kenosha Co.	Same as State
■ Racine Co.	Same as State
■ City of Madison	Same as State
■ City of Milwaukee	60 (55 w/ 30 yrs)
■ MPS	State (plus supplement)
■ National Survey	Age 62/ 30 yrs /Rule of 80, 85, 90



Pension Benefits Back DROP

- **Milwaukee Co.** No year limit, compound interest at actuarial rate, 2% non-compounded
- State of Wisconsin None
- Waukesha Co. None
- Dane Co. None
- Kenosha Co. None
- Racine Co. None
- City of Madison None
- City of Milwaukee None
- MPS None



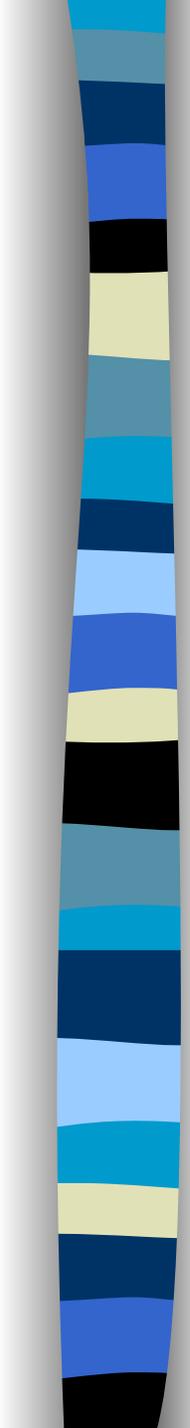
Sick Leave Accumulation

- **Milwaukee Co.** 12 days / yr, no limit
- **State of Wisconsin** 16.25 days / yr , no limit
- **Waukesha Co.** 12 days / yr, 120 day limit
- **Dane Co.** 13 days / yr, 200 day limit
- **Kenosha Co.** None, personal days, disability
- **Racine Co.** None, personal days, disability
- **City of Madison** 13 days/yr, 150 days limit
- **City of Milwaukee** 15 days/yr, 120 days limit
- **MPS** 10 days/yr, 145 days limit

Sick Leave Payout

- **Milwaukee Co.** 100% (pre`94 = cash; post `94 = health insurance)
- **State of Wisconsin** Converted (with match) to insurance
- **Waukesha Co.*** 50% cash up to limit
- **Dane Co.** 100% cash or insurance credit
- **Kenosha Co.** Not Applicable
- **Racine Co.** Not Applicable
- **City of Madison** 100% cash or insurance credit
- **City of Milwaukee** Up to 30 days = cash
- **MPS** 100% (1st 101 days = insurance, then up to 40 days = cash)

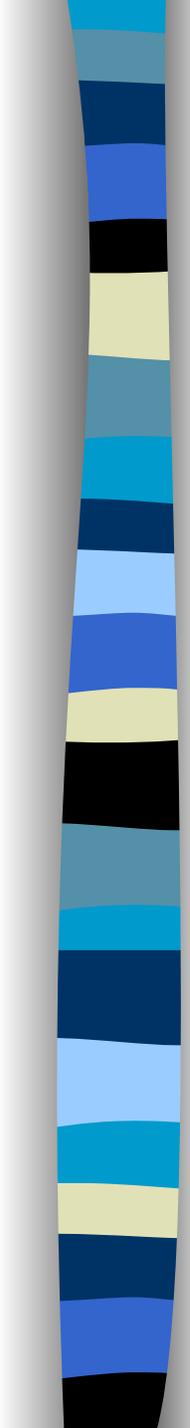
* Non-union can convert up to 65% of sick hours to VEBA for health insurance



Employee Contribution to Post-Retirement Health Insurance

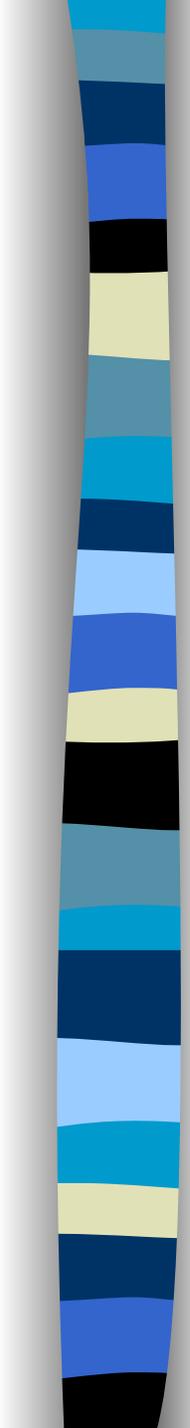
- **Milwaukee Co.** Pre `94 = no premium if 15 yrs; post `93 = sick leave credit toward premiums
- **State of Wisconsin** Sick leave credit + match
- **Waukesha Co.*** Retiree pays entire premium
- **Dane Co.** Accumulated sick leave option
- **Kenosha Co.** Free >60/ 15 yrs, <60 prorated
- **Racine Co.** >25 yrs / 5% premium, prorated
- **City of Madison** Accumulated sick leave option
- **City of Milwaukee** 15yrs/<65 no premium until 65
- **MPS** Retiree pays premium increases

* Non-union can convert up to 65% of sick hours to VEBA for health insurance



Active Employee Contribution To Health Insurance Premiums Family HMO Plans

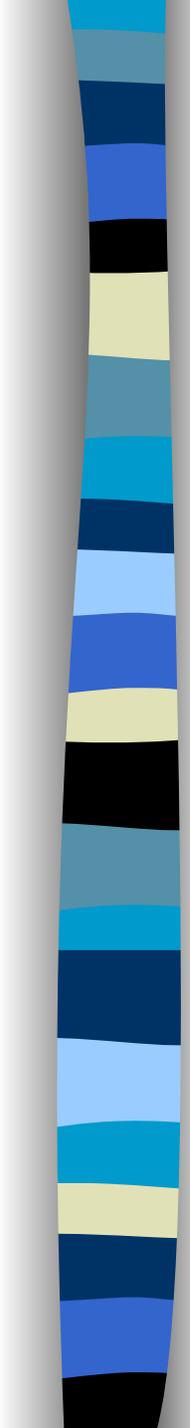
■ Milwaukee Co.	\$100
■ State of Wisconsin	\$55
■ Waukesha Co.	\$138
■ Dane Co.	\$0
■ Kenosha Co.	N/A
■ Racine Co.	N/A
■ City of Madison	\$0
■ City of Milwaukee	\$0 - \$233
■ MPS	N/A



Employee Contribution To Health Insurance Premiums Family PPO/POS/POE

■ Milwaukee Co.	\$100
■ State of Wisconsin	\$250
■ Waukesha Co. (POS) *	\$117
■ Dane Co. (POE) *	\$55
■ Kenosha Co. (POS) *	\$0
■ Racine Co.	\$149
■ City of Madison	N/A
■ City of Milwaukee	\$120
■ MPS	\$0

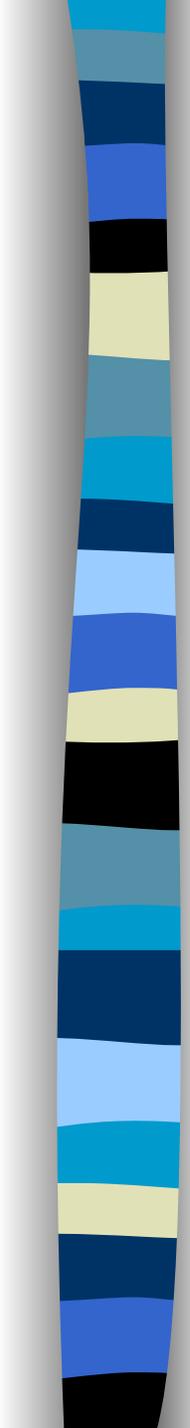
* Plans are similar to PPOs except they do not require the use of primary care physicians or referrals for specialized treatment.



Milwaukee County HMO Premiums Compared to National Average

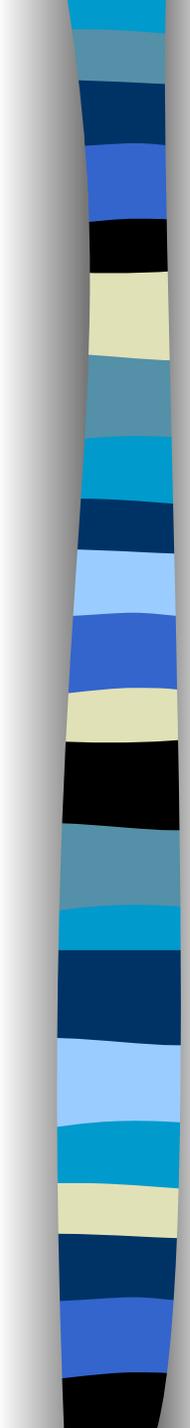
- National Single Plan Premium \$3,458
 - Percent paid by Employee 16%
- Milwaukee Single Plan Premium \$4,300
 - Percent paid by Employee 22%
- National Family Plan Premium \$9,504
 - Percent paid by Employee 28%
- Milwaukee Family Plan Premium \$12,040
 - Percent paid by Employee 10%

National average data per Kaiser Foundation and Health Research and Education Trust includes public and private sector employers, 2004 excludes co-pay, deductible and co-insurance



Other Data from Kaiser National Survey

- Average annual deductible for Single Coverage PPO was \$287 with preferred provider, \$558 with non-preferred
- Average prescription co-pays were \$10 generic, \$21 preferred, \$33 non-preferred
- 52% of employers plan to increase employee pay for coverage
- From 1988 to 2004 the portion of employers offering post retirement health coverage dropped from 66% to 36%



Public / Private Sector Compensation*

Private Hourly Costs

\$23.76 / hr.

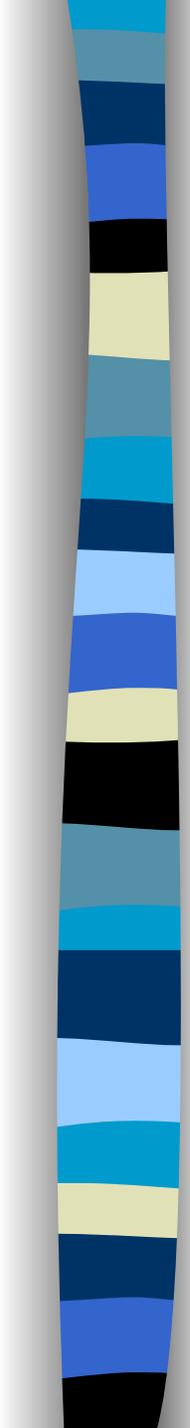
Wages	71%
Benefits	29%

State / Local Costs

\$34.72 / hr.

Wages	69%
Benefits	31%

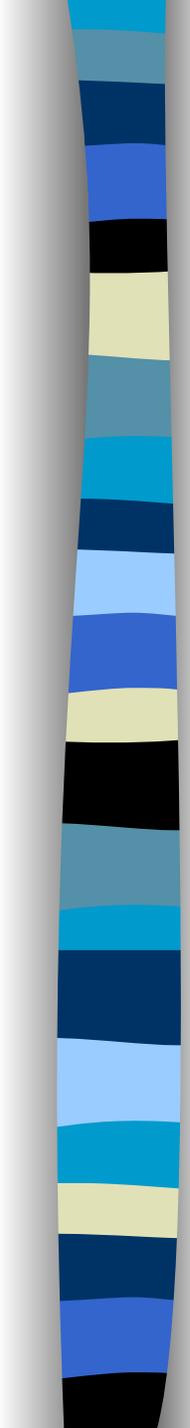
*per U.S. Dept. of Labor 9/04



Public / Private Sector Hourly Rate Detail

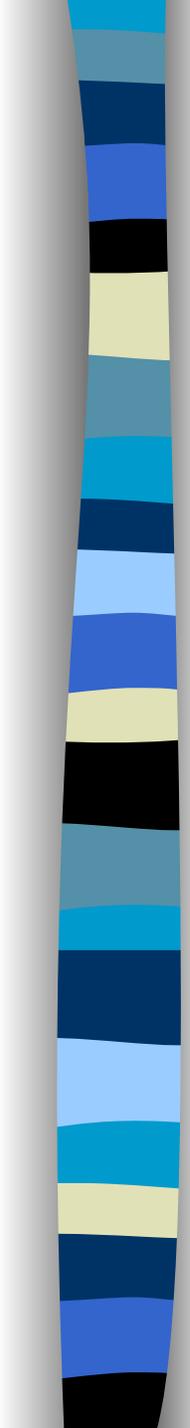
	<u>Public</u>	<u>Private</u>
■ Wages	\$23.88	\$16.96
■ Leave	2.64	1.52
■ Supplemental Pay	0.31	0.64
■ Insurance	3.60	1.68
■ Retirement	2.22	0.85
■ Legally Required*	2.04	2.06
■ Other	<u>0.03</u>	<u>0.05</u>
■ Total	\$34.72	\$23.76

*Unemployment, social security and workers' comp.



Factors Affecting Public / Private Comparison

- Government has larger proportion of “white collar” workers (40% compared to 12%)
- Union workers comprise 36% of government workers and 8% of private sector workers



Conclusions – Benefits Compared

Milwaukee County

- Pension
 - Multiplier High end of the market
 - Age High end of the market
 - DROP Only DROP in market
- Sick Leave
 - Accumulation High end of the market
 - Payout Depends on hire date
- Health Insurance
 - Retirement Depends on hire date
 - Premium, Co-pay, Deductible Comparable

Handout Showing Comparisons of Health Insurance Annual Deductibles and Coinsurance By Selected Wisconsin Jurisdictions and Employers

	<u>Milwaukee County</u>	<u>State of Wisconsin</u>	<u>Waukesha County</u> ¹	<u>Dane County</u> ¹	<u>Kenosha County</u> ¹	<u>Racine County</u>	<u>City of Madison</u>	<u>City of Milwaukee</u>	<u>MPS</u>
Annual Deductibles:									
<i>HMO:</i>									
Single	\$0	\$0	\$0	\$0	N/A	N/A	\$0	\$0	N/A
Family	\$0	\$0	\$0	\$0	N/A	N/A	\$0	\$0	N/A
<i>PPO (In Network):</i>									
Single	\$150	\$100	\$100	\$100	\$0	\$100	N/A	\$100	\$0
Family	\$450	\$200	\$300	\$200	\$0	\$200	N/A	\$300	\$0
<i>PPO (Out of Network):</i>									
Single	\$400	\$500	\$100	\$100	\$600	N/A	N/A	\$100	\$100
Family	\$1,200	\$1,000	\$300	\$200	\$1,800	N/A	N/A	\$300	\$300
Coinsurance - %									
<i>HMO:</i>									
Single	0%	0%	0%	0%	0%	0%	0%	0%	N/A
Family	0%	0%	0%	0%	0%	0%	0%	0%	N/A
<i>PPO (In Network):</i>									
Single	10%	0%	10%	0%	0%	10%	N/A	20%	0%
Family	10%	0%	10%	0%	0%	10%	N/A	20%	0%
<i>PPO (Out of Network):</i>									
Single	20%	20%	20%	0%	25%	25%	N/A	20%	20%
Family	20%	20%	20%	0%	25%	25%	N/A	20%	20%
Coinsurance - \$ Max.									
<i>HMO:</i>									
Single	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
Family	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
<i>PPO (In Network):</i>									
Single	\$1,500	\$100	\$400	\$0	No Limit ²	\$500	N/A	No Limit ²	No Limit ²
Family	\$2,500	\$500	\$800	\$0	No Limit ²	\$1,000	N/A	No Limit ²	No Limit ²
<i>PPO (Out of Network):</i>									
Single	\$1,500	\$2,000	\$500	\$0	\$1,750	N/A	N/A	No Limit	\$850
Family	\$2,500	\$4,000	\$1,000	\$0	\$3,250	N/A	N/A	No Limit	\$1,800

Note 1 – Instead of a typical PPO, Waukesha and Kenosha counties offer point-of-service (POS) plans. Dane County offers a point-of-enrollment (POE) plan. Each are shown for comparison purposes because they act much like PPOs, except that they do not require the use of primary care physicians or referrals for specialized treatment.

Note 2 – In these instances no specific limits are set. This does not mean that employees are necessarily subject to catastrophic costs. Rather, the plans provide for employee contributions for specified procedures (and in some cases, certain providers). The maximum cost to the employee is limited only by the frequency that the specific procedures or providers are used.